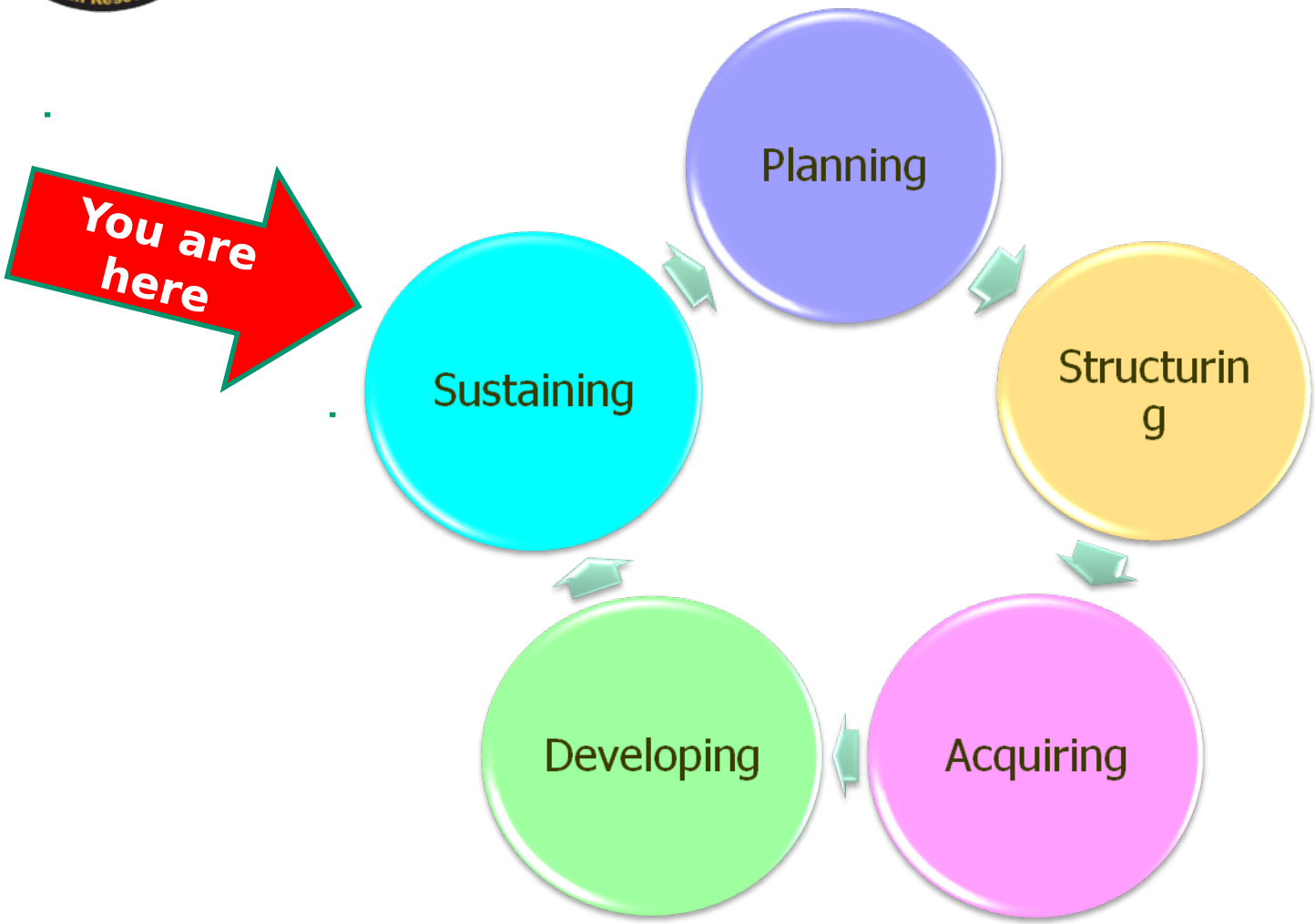
Module 5-1

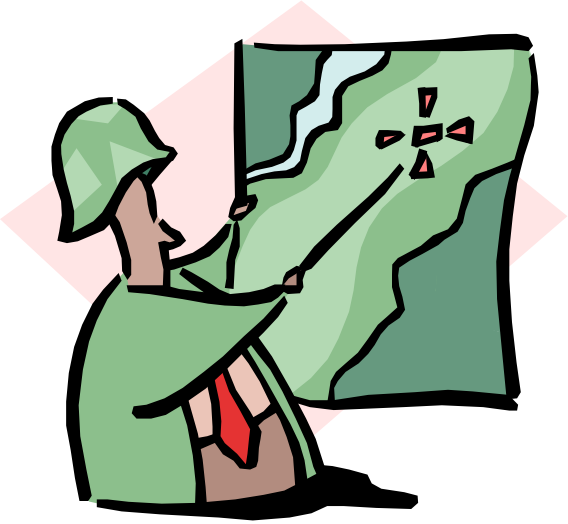
Sustaining

CHRM Life Cycle



Performance Management

Planning



Learning Objectives - Performance Planning

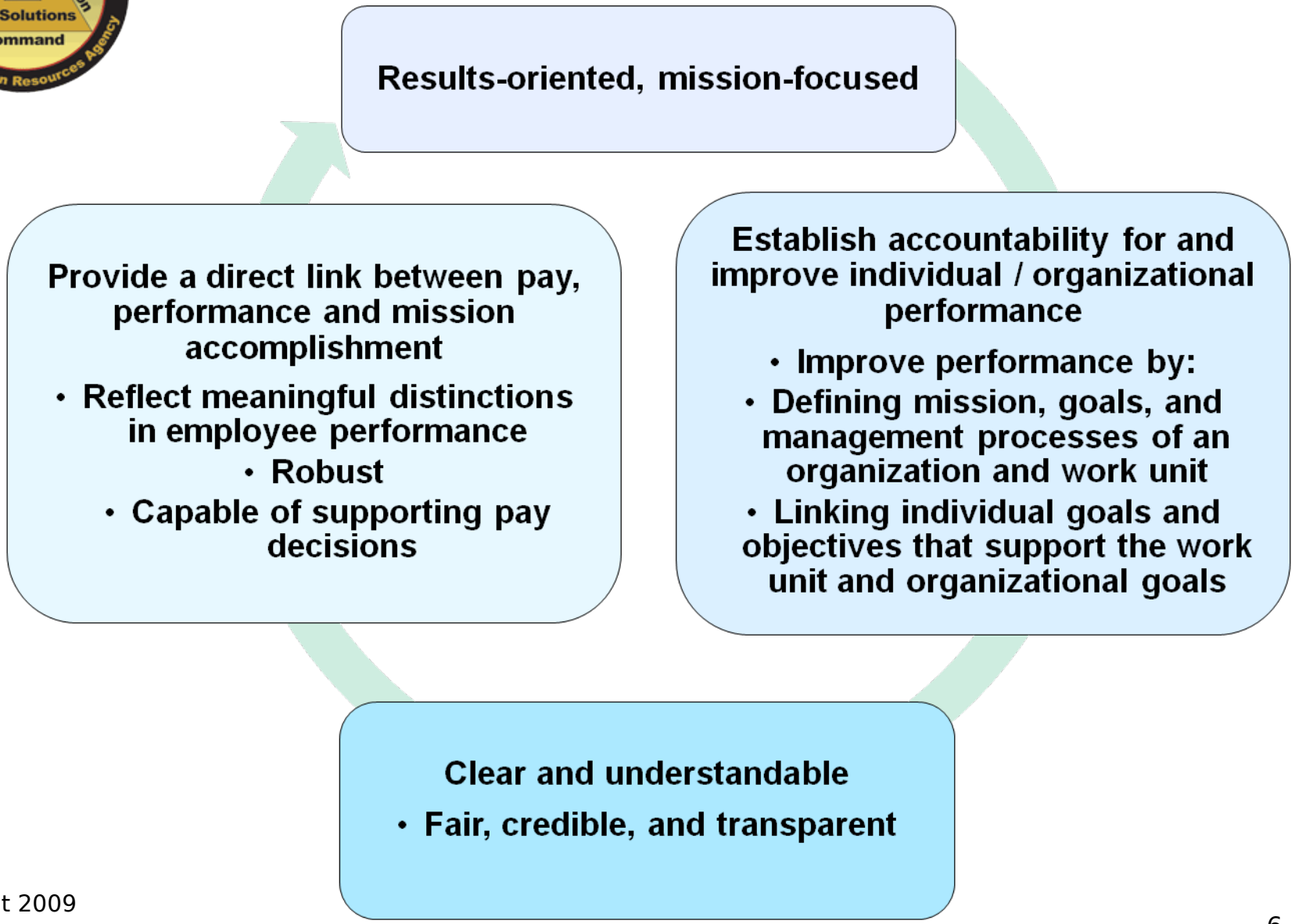
After completion of this lesson, you will be able to:

1. Describe the performance management cycle and the essential elements of the TAPES and NSPS systems.
2. List the performance conversations required during the performance cycle.
3. Define job objectives and explain the criteria for formulating and evaluating them.
4. Define performance indicators and explain how they are used in the NSPS rating process.
5. Explain what contributing factors are and how they are used in the rating process.

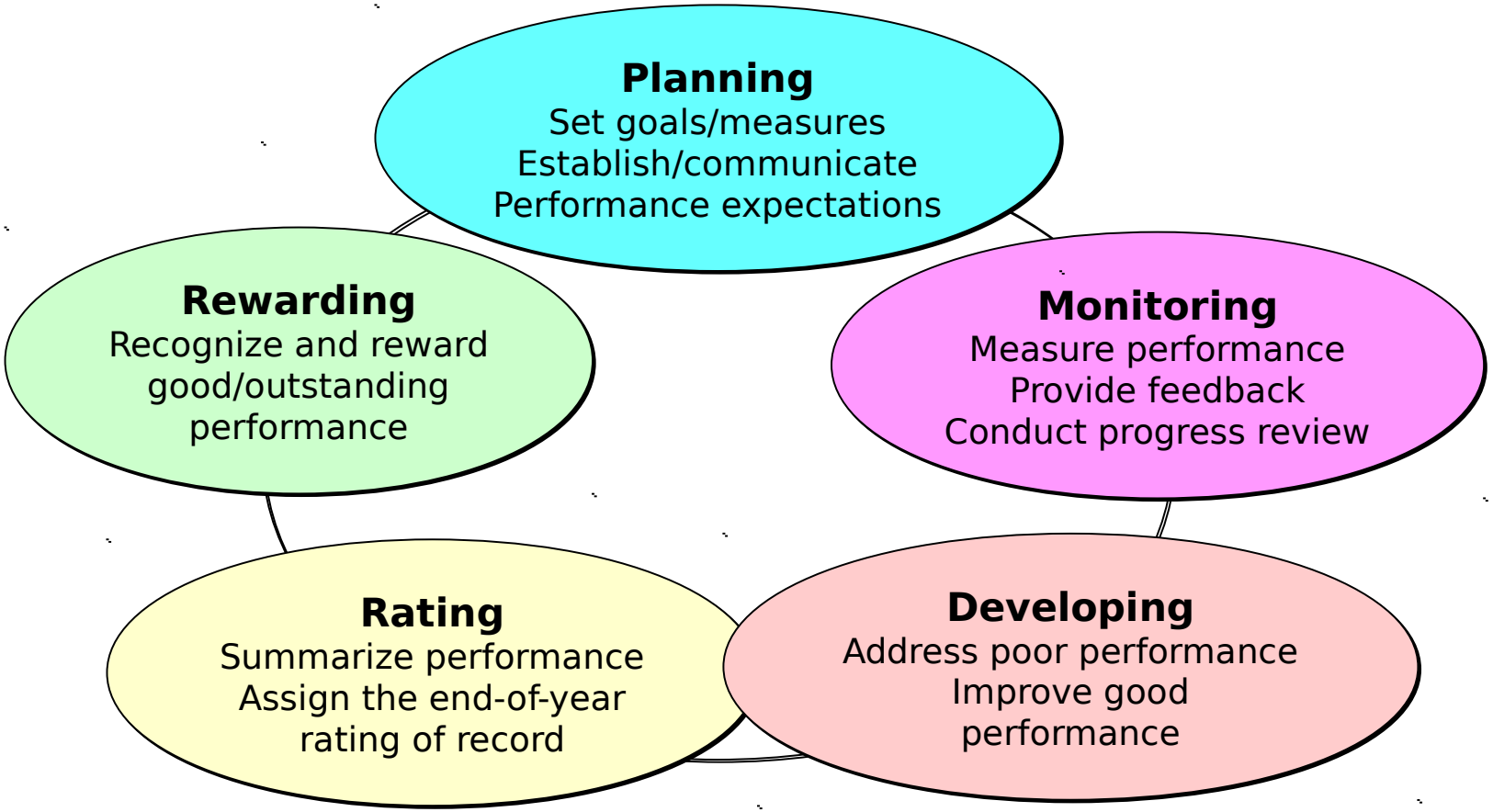
Definition

Performance management is the systematic process of integrating performance, pay, and awards systems to improve individual and organizational effectiveness in the accomplishment of Army mission and goals.

Goals


Results-oriented, mission-focused
Establish accountability for and improve individual / organizational performance
• Improve performance by:
• Defining mission, goals, and management processes of an organization and work unit
• Linking individual goals and objectives that support the work unit and organizational goals
Clear and understandable
• Fair, credible, and transparent
Provide a direct link between pay, performance and mission accomplishment
• Reflect meaningful distinctions in employee performance
• Robust
• Capable of supporting pay decisions

Five Key Processes of Performance Management



Aligning Work to Mission

Leaders define the organization's mission and strategic goals

- –Cascaded to the work unit and employee objectives
- –Can also align work horizontally

Objectives draw a line of sight between the employee's work, the work unit's goals, and the organization's success

When work is aligned to the mission, from any perspective you choose, everyone is working together towards shared goals

Emphasize Army Values

Loyalty	• Bear true faith and allegiance to the U.S. Constitution, the Army your unit and other Soldiers
Duty	• Fulfill your obligations
Respect	• Treat people as they should be treated
Selfless Service	• Put the welfare of the Nation, the Army and subordinates before you own
Honor	• Live up to all the Army values
Integrity	• Do what's right – legally and morally
Personal Courage	• Face fear, danger or adversity (physical or moral courage)

Rating Officials will

- Discuss values / ethics with employees
- Document positive aspects of Army values on the annual performance appraisal

Laws, Regulations, and Guidance

Total Army Performance Evaluation System

- Title 5 USC Chapter 43
- 5 CFR Part 430
- DoD 1400.25 Subchapter 430
- AR 690-400 Chapter 4302

National Security Personnel System

- Title 5 US Chapter 9901
- DoD 1400.25 Subchapter 1940

TAPES

TOTAL ARMY PERFORMANCE EVALUATION SYSTEM

AR 690-400 Chapter 4302

http://cpol.army.mil/library/permiss/52.html

TAPES Objectives

- Designed to improve Total Army performance by:

1. Communicating organizational goals and priorities, and Army values and ethic to employees
2. Establishing individual expectations for performance that reflect organizational goals and priorities
3. Facilitate frequent discussion among the rated and rating chain about performance and expectations
4. Provide an environment where all employees understand they are part of the Army team
5. Requires annual written individual performance evaluations

TAPES – Two Systems

Senior System

- ES, ST, SL, GM, WS/GS-13 and above
- WS/GS-9-12

Base System

- WG, WL, WS
- GS 1-8

TAPES Performance Cycle

Senior System

- 1 JUL-30 JUN
- 1 NOV-31 OCT

Base System

- Determined locally
- Examples: birthday, end of fiscal year

Performance Objectives

How to Write Performance Objectives

- Start with an action verb
- Specify a single key result to be accomplished
- Specify a target date for accomplishment
- Be as measurable and verifiable as Realistic and attainable while representing a challenge possible
- Relates directly to employee's role and mission
- Realistic and attainable while representing a challenge

Performance Objectives

Types of Performance Objectives

Routine – Addresses repetitive common place duties

Problem Solving – Deals with problem situations to produce favorable resolution

Innovative – Creates new or improved methods and processes and eliminates wasteful practices to achieve cost savings

Personal Development - Furthers professional education and growth

EXERCISE TIME!!!

Exercise: Determining the Overall Rating

Exercise: Determine the Overall Rating

	Tom	Mary	Joe	Martha
Objective 1	Success	Excellence	Success	Success
Objective 2	Success	Excellence	Success	Fails
Objective 3	Success	Excellence	Success	Success
Objective 4	Excellence	Excellence	Needs Improvement	Success
Objective 5	Excellence	Success	Excellence	Success
Overall Rating				
Comments				

TAPES Key Points

No appraisal permitted without valid support form in place

Minimum appraisal period is 120 calendar days (with support form/performance plan in place)

Changes can be made to support form at any time (must allow for 120 days on standards)

No extension of appraisal period unless permitted by AR 690-400, Chapter 4302

TAPES Key Points

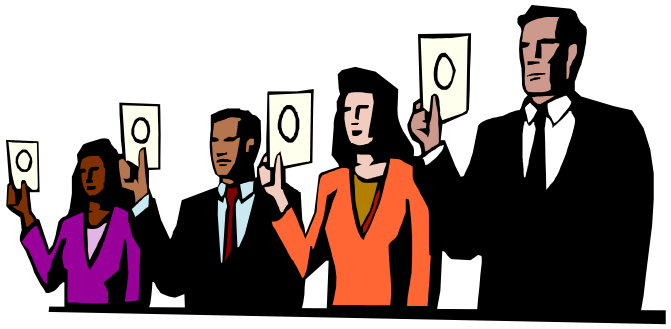
- Rating not due when employee retires/goes to private firm
- Two counseling sessions required - initial and mid-point
- Rating chain signs first – then employee
- All TAPES objectives are critical; do not identify non-critical objectives
- Level 3 rating required to allow within grade increase (WIGI)

Performance Management Linkage

- Compensation (WIGIs)
- Training/Career Development
- Promotions
- Reassignments
- Removal or Reductions in Grade
- Reductions in Force
- Rewards
- Retention

Why is Performance Evaluation so difficult to do?

...Involves the inherently subjective and inexact process of one human being assessing the work accomplishment of another...



NSPS

National Security Personnel System

Title 5 USC Chapter 9901

DoD 1400.25 Subchapter 1940

http://cpol.army.mil/library/general/nsps/

NSPS Performance Management

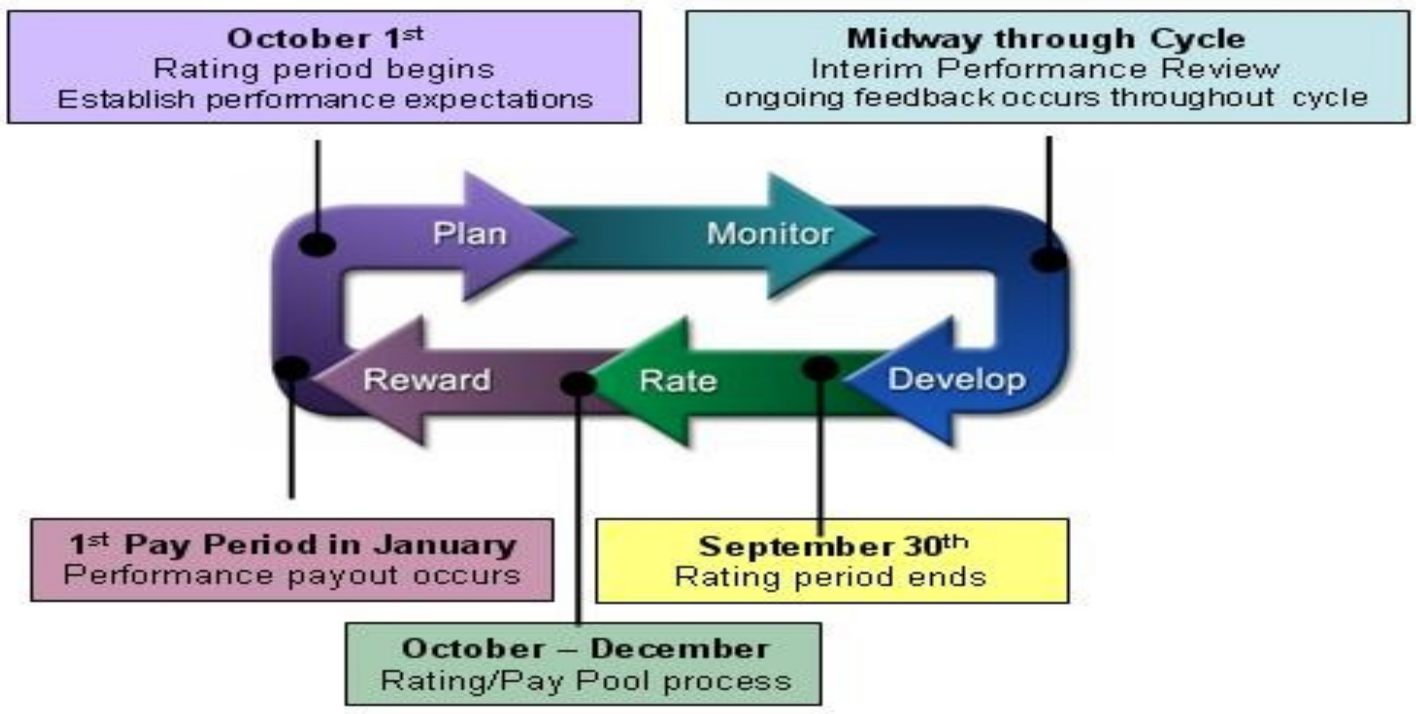
There are five main steps in the process:

- Planning - setting objectives
- Monitoring - greater employee/supervisor communication
- Development - training, education, mentoring
- Rating - job objective and contributing factor ratings
- Rewarding - supervisory recommendation to pay pool panel

Process is results oriented and mission focused

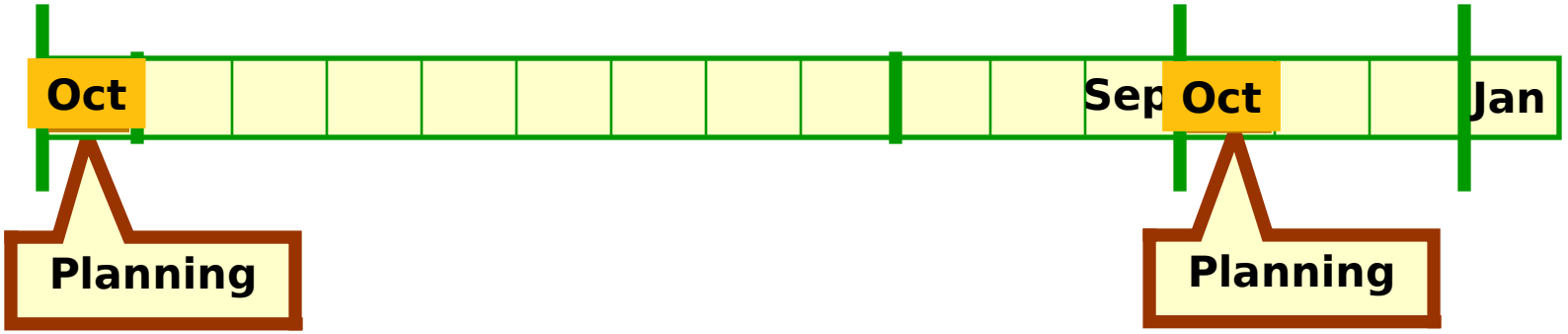
NSPS Performance Management System Cycle

The Performance management cycle runs 1 October through 30 September. In order to receive a rating, a minimum of 90 days of performance is required. At least one interim review is also required during the cycle



Performance Planning

- Establish performance expectations
- Establish a written performance plan:
  - Identify and discuss job objectives
  - Select contributing factors
  - Establish weighting
- The performance plan requires higher-level approval
- Identify developmental needs
- Basis for ongoing dialogue about performance



Performance Expectations

Performance expectations are:

- Duties, responsibilities, and competencies required by, or objectives associated with, an employee's position
- Contributions and demonstrated competencies expected of an employee
- Communicated to the employee prior to holding employee accountable
- Promptly adjusted as changes occur

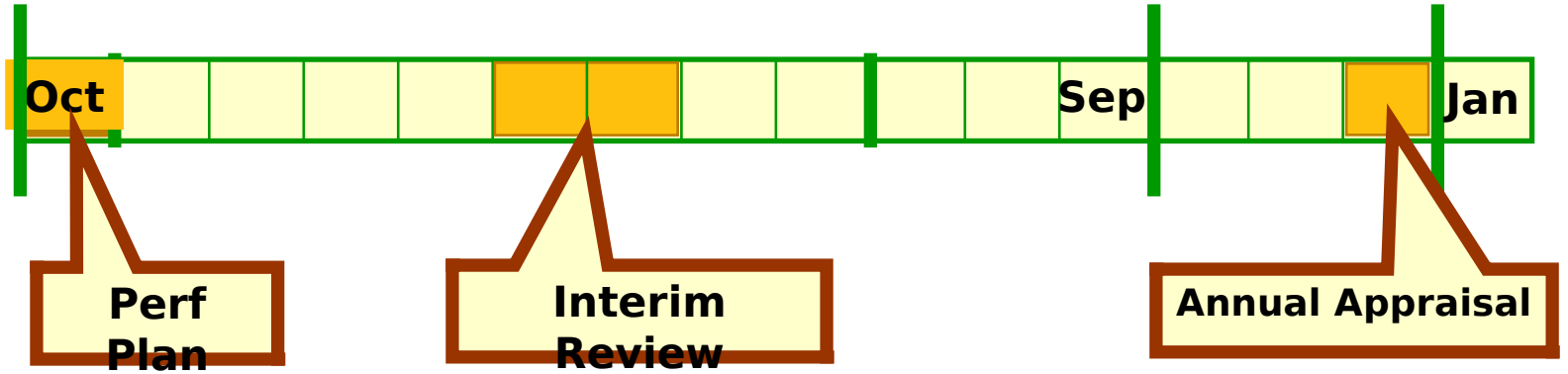
Performance Expectations (cont)

Performance expectations must align with and support the DoD mission and goals and may include:

- Goals or objectives that set performance targets at the individual, team, and/or organizational level
- Standard operating procedures, manuals, internal rules and directives, etc.
- Competencies an employee is expected to demonstrate, or the contributions an employee is expected to make
- Work assignments can be used to amplify performance expectations and may specify quality, quantity, accuracy, and/or timeliness
- Conduct and/or behavior

Performance Conversations

- Requirement for <u>three</u> performance conversations (documented) between the supervisor and the employee during each performance cycle:
  - ✓ Performance Plan: Establish performance expectations
  - ✓ Interim Review: Check and adjust employee performance
  - ✓ Annual Appraisal: Share final ratings
- Mandatory for NSPS



The Performance Plan Conversation

Purposes

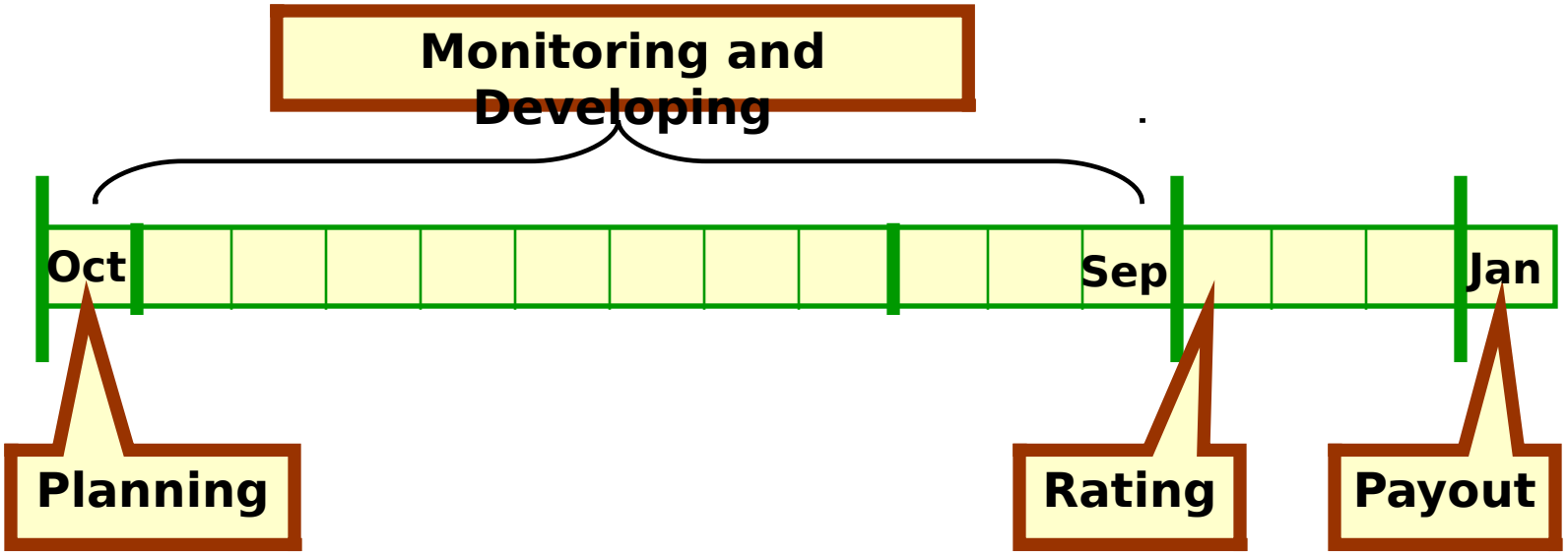
- To reach a joint understanding of performance expectations for the current (new) rating cycle
- To explain the organization's goals and to align employee objectives with these goals
- To establish timelines and measurement methods
- To identify developmental needs

Outcomes

- Performance plan (formally established in the PAA)
- Development plan
- Conversation notes, other relative documentation

Timeline

The NSPS Performance Cycle: 1 Oct-30 Sep*



- **A 12-month performance cycle**
- **A 16-month process**

Job Objectives

Job objectives are:

- A way to capture performance expectations
- The platform by which employees are rated
- A way for managers and supervisors to communicate the major work that needs to be accomplished
- Required to be aligned with (clearly tied to) organizational goals and the DoD mission
  - ✓ When communicating job objectives to employees, supervisors need to fully explain the relationship between an employee's accomplishments and achieving organizational goals

Job Objectives = The “What”

- Communicate specific individual, team, or organizational responsibilities and expected contributions with related outcomes and accomplishments
- Draw a line of sight between the employee’s work, the work unit’s goals, and the organization’s success
- Results-oriented and mission-focused
- Appropriate for current salary and pay band
- Must be weighted
- Written in the “SMART” framework

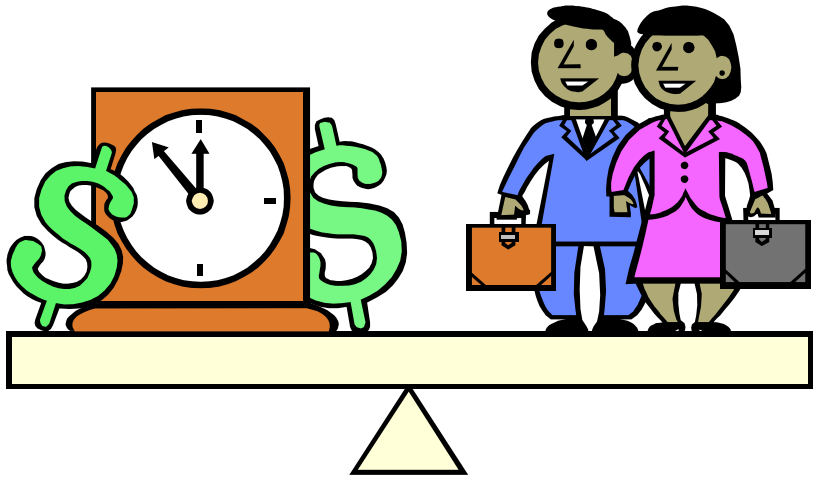
Job Objectives Requirements

For managers

- ❑ At least 1
- ❑ Usually 3 to 5
- ❑ Must be weighted
- ❑ Linked to mission
- ❑ At least one supervisory objective

For employees

- ❑ At least 1
- ❑ Usually 3 to 5
- ❑ Must be weighted
- ❑ Linked to mission



Effective Job Objectives

- Performance focus
  - ✓ Objectives should be crafted to bring out the best in individual and team performance
  - ✓ They can help keep the focus on the important tasks, not on many needless activities
- Alignment with the organization
  - ✓ Objectives must make sense in the context of the organization
  - ✓ Individual objectives must align with the organization's goals and/or mission
- Appraisal/management tool
  - ✓ Objectives should not only drive the work, they also serve as a method to assess accomplishments
  - ✓ They are used as an appraisal tool at the end of the performance management cycle

SMART Objectives

S Specific - Specific regarding the result (not the activities to achieve that result)

M Measurable - Quantity (how many), time (how long), quality (how good), resources (how much)

A Aligned - Aligned objectives draw a line of sight between the employee's work, the work unit's goal, and the organization's mission

R Realistic and Relevant

- Realistic: Can be accomplished with the resources, personnel, and time
- Relevant: Are important to the employee and to the organization

T Timed - There is a point in time when the objective will start, or when it will be completed

http://cpol.army.mil/library/general/nsps/docdir/Objectives%20Samples2.doc

Sample SMART Objectives

1. Completes all project management tasks to enable installation of 150 new computers in the DA Field Office in Arlington, VA, by the end of the 4th quarter. Ensures that the DA Form 3161 issuing the new computer is signed by the user and forwarded to the Property Book Officer within two working days of signature.

2. With only an occasional error, performs the following tasks:

   – Serves as timekeeper for designated senior management officials. Prepares accurate time and attendance records for assigned Directorate staff for each bi-weekly pay period in accordance with regulatory and Directorate requirements. Acquires authorizing signature and submits the input the first working day following completion of the pay period IAW established timelines.

http://cpol.army.mil/library/general/nsps/docdir/Objectives%20Samples2.doc

Mandatory Army Supervisory Objective

Execute the full range of human resources (including performance management as outlined in DoD 1400.25-M, SC1940.5.6.3.) and fiscal responsibilities within established timelines and in accordance with applicable regulations. Adhere to merit principles. Develop a vision for the work unit; align performance expectations with organizational goals. Maintain a safe work environment and promptly address allegations of noncompliance. Ensure EEO/EO principles are adhered to throughout the organization. Ensure continuing application of, and compliance with, applicable laws, regulations and policies governing prohibited personnel practices; promptly address allegations of prohibited discrimination, harassment, and retaliation.

Using Performance Indicators to Assess Performance

What are Performance Indicators?

- Descriptions of levels or thresholds of employee performance.
- Applied in the rating of job objectives
- Standardized across the DoD
- Arranged by Pay Schedule (Professional / Analytical, Technician / Support, Supervisory) and Pay Band
- Benchmarks defined at Level 3 and Level 5 performance

Performance Indicator Example

Performance Indicators Professional / Analytical Pay Schedule (non-supervisory) - Pay Band 2	
Level 3	Level 5 *(Additions at this level)*
• Effectively achieved the stated objective, anticipating and overcoming significant obstacles. Adapts established methods and procedures when needed. • Results were technically sound, accurate, thorough, documented, and met applicable authorities, standards, policies, procedures and guidelines. • Planned, organized, prioritized, and scheduled own work activities to deliver the objective in a timely and effective manner, making adjustments to respond to changing situations and anticipating and overcoming difficult obstacles as necessary. • Demonstrated high standards of personal and professional conduct and represented the organization or work unit effectively.	• Contributed results beyond what was expected; results were far superior in quality, quantity, and/or impact to the stated objective to what would be expected at this level. • Exhibited the highest standards of professionalism.

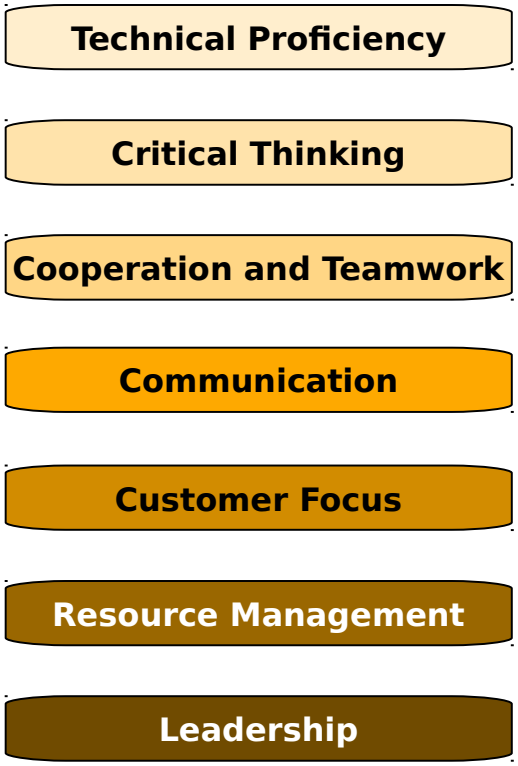
http://cpol.army.mil/library/general/nsps/docdir/Performance%20Indicators.pdf

Rating Levels for Job Objectives

5	Employee exceeded the assigned job objective at a level of performance equal to, or above, the Level 5 performance indicator.
4	Employee exceeded the assigned job objective at a level of performance above the Level 3 indicator, but below the Level 5 performance indicator.
3	Employee met the assigned job objective at a level of performance equal to the Level 3 indicator.
2	Employee met the assigned job objective at a level of performance below the Level 3 Performance indicator or needed guidance and assistance beyond that described in the Level 3 indicator.
1	Employee failed to achieve the assigned job objective or failed in the performance of a single assignment where such failure had a significant negative impact on accomplishment of the mission or where a single failure resulted in or could result in death, injury, breach of security, or great monetary loss.
NR	Employee did not have an opportunity to perform the job objective because it became obsolete or could not be accomplished due to extenuating circumstances. Weight of non-rated objective is re-distributed among the other objectives.

Contributing Factors = The "How"

- Select up to 3 for each job objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by "**work behaviors**" and "**benchmark descriptors**"
- Standard across DoD
- Described at the "expected" and "enhanced" level



Contributing Factors Benchmark Example

Cooperation and Teamwork Contributing Factor Professional and Analytical Pay Schedule - Pay Band 2	
Expected	**Enhanced (Additions at this level)**
• Contributes to achieving work unit goals by working collaboratively and flexibly with others and building effective partnerships across units. • Treats everyone fairly and professionally, respecting and valuing individual differences and diversity. • Shares relevant knowledge and information with others. • Contributes to a positive team atmosphere that fosters cooperation, trust, and group identity. • Handles challenging work-related disagreements or conflicts and resolves them in a positive and constructive manner; develops options to resolve disagreements or conflicts that require resolution at a higher level.	• Contributes to achieving organizational objectives by building effective partnerships across organizations. • Takes initiative to make extra contributions to work unit efforts; recognizes when others need assistance and provides support to advance unit goals. • Fosters a climate of trust by demonstrating respect for and value of individual differences and diversity. • Seeks out opportunities to share relevant knowledge and skills with others. • Develops formal knowledge sharing systems (e.g., work aids, technical papers, etc.). • Anticipates and strives to mitigate potential conflicts or disagreements.

http://cpol.army.mil/library/general/nsps/pm.html

Requirements for Selecting Contributing Factors

For manager

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee
- “Leadership” must be selected for the supervisory job objective

For employee

- At least one, usually no more than three for each objective
- Intentional choice
- Tied to objective rather than employee

Effect on Rating

Contributing factor

In the execution or accomplishment of the assigned job objective the employee demonstrated a manner of performance…

… **matching** or **exceeding** the description provided in the **Enhanced** benchmark descriptor(s). → +1

… **matching** or **exceeding** the description provided in the **Expected** benchmark descriptor(s), but below that described by the Enhanced benchmark descriptor(s). → 0

… **below** the description provided in the **Expected** benchmark descriptor(s). → -1

Weighting Objectives

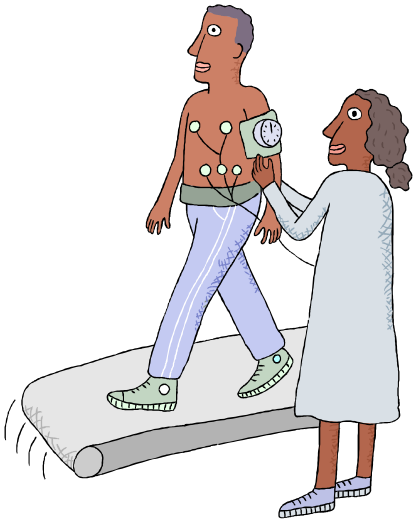
- Weighting is a way of giving more emphasis to one objective over another
- Army requires that job objectives be weighted
- Weight is established at the start of the performance cycle – when the objectives are established and contributing factors identified
- Rules
  - ✓ No objective can be weighted less than 10 percent
  - ✓ Total weight must equal 100 percent
  - ✓ Weights must be in 5-percent intervals
  - ✓ If an objective is not rated (NR), the weight of that objective must be re-distributed among the other objectives

Performance Management: Review

Summary:

- Describe the performance management cycle and the essential elements of the TAPES and NSPS systems.
- List the performance conversations required during the performance cycle
- Define job objectives and explain the criteria for formulating and evaluating them
- Define performance indicators and explain how they are used in the NSPS rating process
- Explain what contributing factors are and how they are used in the rating process
- Questions?

Performance Management: Monitoring



Lesson 5-1 Objectives Performance Management: Monitoring

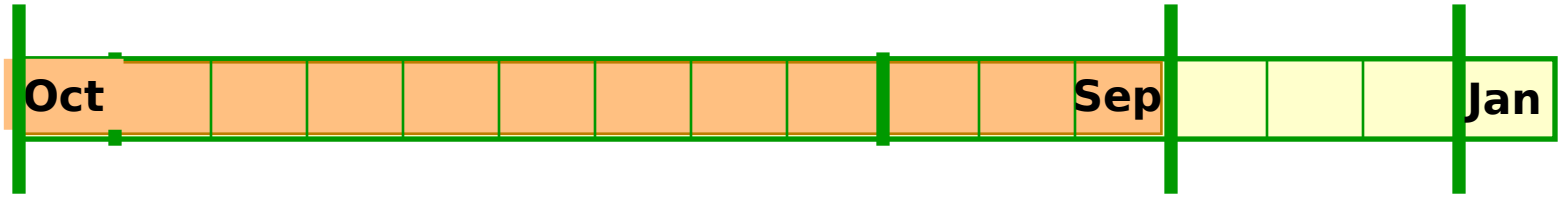
After completion of this lesson, you will be able to:

- Explain the importance of maintaining records of your performance
- Describe the purpose of the Interim Review and what should be covered during that review
- Explain the importance of continuous feedback
- Explain when a performance plan can and should be adjusted

Performing, Monitoring, and Developing

Throughout the performance cycle:

- The employee is working toward accomplishing the established objectives
- The supervisor is monitoring employee performance and providing assistance, feedback, and direction as needed
- Both employee and supervisor are taking steps toward developing the employee

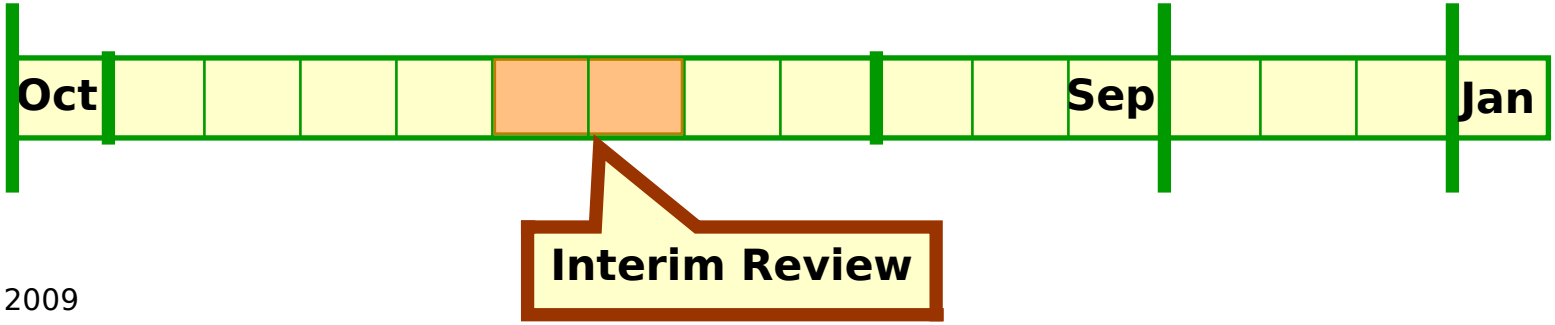


Documenting Performance

- Employees need to complete a self-assessment at the end of the rating cycle
- To facilitate completing the self-assessment, employees are encouraged to maintain a record of their performance throughout the appraisal period
- Examples:
  - ✓ Weekly Status Report
  - ✓ Outlook's Task List
  - ✓ Notebook
- Employees should also complete a self-assessment as part of the Interim Review process – good practice

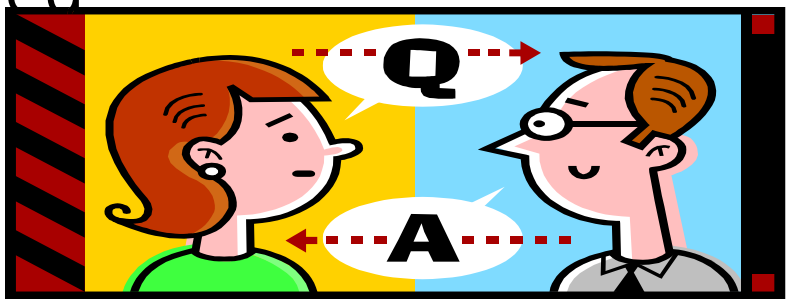
Interim Review

- An interim performance review is required at least once during the performance management cycle
- Check on progress towards objectives, make necessary adjustments
- Provides an opportunity for feedback so the employee has the direction to achieve the objectives
- NSPS - Documented in the PAA



Continuing Performance Discussions

- Recurring:
  - ✓ Revisit performance expectations
  - ✓ Check progress
- Formal or informal
- Establish the relationship and ensure framework for the discussion is in place
- Ease the process in the event difficult conversation is required



Feedback Aims & Opportunities

Feedback aims

- To reinforce positive behavior
- To acknowledge contributions and accomplishments
- To anticipate difficulties
- To remedy shortfalls

Feedback opportunities

- In the moment

  For instance …

  - ✓ When answering a question
  - ✓ When things go well (or not)

- On a schedule

  For instance …

  - ✓ Following completion of a project or task
  - ✓ During required Performance Conversations

Adjusting a Performance Plan

Guidelines for changing the performance plan

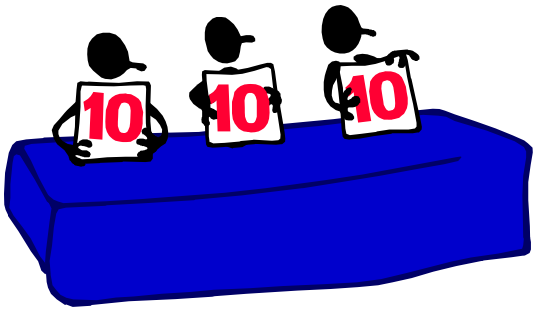
- Performance plans may be changed during the year
- Objectives, contributing factors, and weights may be changed together or separately
- The employee should have sufficient time before the end of cycle to work towards a new performance plan
- Best practice: Do not change the performance plan after mid-cycle review
- No surprises

Lesson 5-1 Performance Management: Monitoring - Review

Summary

- Explain the importance of maintaining records of your performance
- Describe the purpose of the Interim Review and what should be covered during that review
- Explain the importance of continuous feedback
- Explain when a performance plan can and should be adjusted
- Questions?

Performance Management: Rating



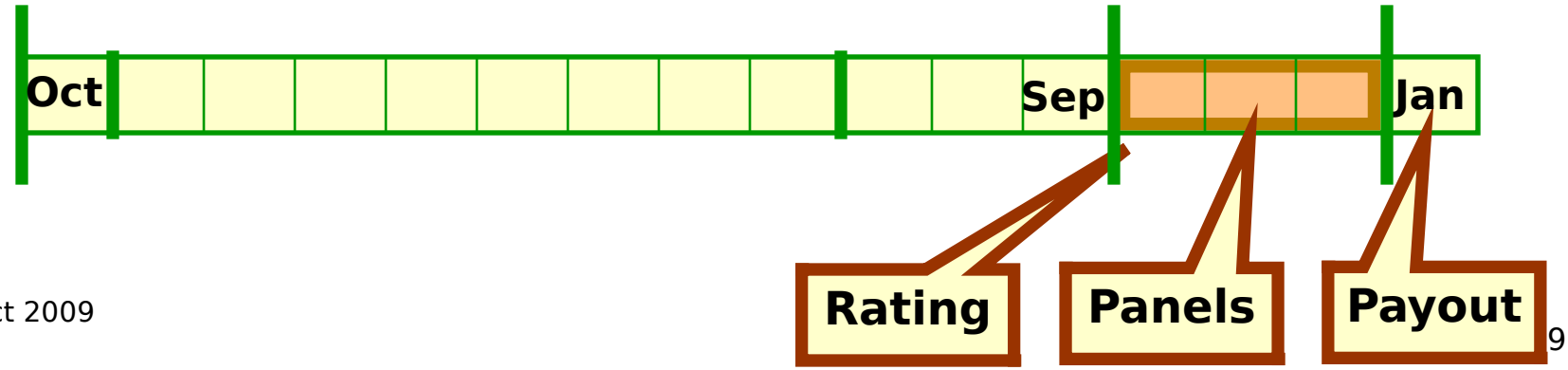
Lesson 5-1 Objectives Performance Management: Rating

After completion of this lesson, you will be able to:

- Identify the steps required when rating an employee under NSPS
- Identify the key players and define their roles and responsibilities in the rating process
- Describe what to include in an employee's self-assessment and a supervisory assessment
- Understand the basics of the pay pool
- Understand how to calculate the value of a share and performance payout options.

Rating and Rewarding

- The rating and rewarding phase occurs after the end of the rating cycle
- Employees complete their self-assessments at the end of the cycle
- Ratings are done immediately thereafter
- NSPS Pay pool panels meet (Nov-Dec)
- NSPS - Once approved by the pay pool manager, final ratings are relayed to the employee during the appraisal conversation
- TAPES – final ratings are approved by the rating official and Senior Rater
- NSPS - The payout is effective on the first full pay period in January



Roles: Who's Involved?

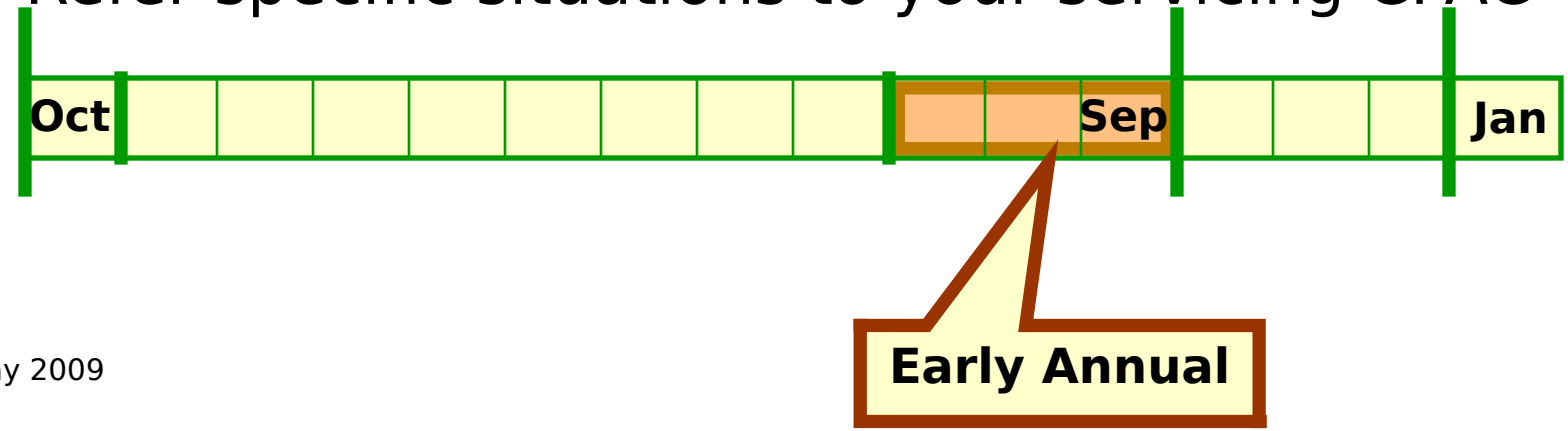
Employee	Keeps track of accomplishments, provides information to rating official, assists in establishing job objectives.
Rating Official	Immediate supervisor. Establishes job objectives and performance expectations, monitors performance, rates employees, recommends rating, shares, and distribution to higher level reviewer and pay pool panel.
Higher Level Reviewer	Manager above supervisor. Reviews and approves performance plans. Adds bullet comments and addresses employee potential during annual appraisal. Reviews and adjusts recommended ratings, shares, and distribution from rating official(s).
Pay Pool Panel	Comprised of managers who review and recommend final ratings, shares, and distributions ("reconciliation") to the pay pool manager.
Pay Pool Manager	Senior manager who makes final decisions on all ratings, shares, and distributions. Appoints pay pool panel members and makes certification decisions.
Performance Review Authority	Higher level official (or group), that oversees several pay pools, establishes pay pool funding levels, and looks into employee requests for reconsideration.

Rating Recommendations vs. Final Rating

- The supervisor *recommends* the rating, number of shares, and payout distribution
  - ✓ Based on the job objective rating, adjustments due to contributing factors, weighting
- The higher level reviewer / senior rater may change the *recommendations*
- The pay pool panel may change the *recommendations*
- NO rating is final until approved by the pay pool manager and/or Performance Review Authority
- *Recommendations* are not to be shared with employees

Early Annual Ratings

- Early Annual Rating:
  - ✓ When the supervisor leaves a supervisory position within 90 days of the end of appraisal period
  - ✓ When the employee is reassigned within NSPS within 90 days of the end of the appraisal period
- Employee participates in pay pool (and payout) if the employee remains
- Refer specific situations to your servicing CPAC



Employee Self-Assessment

- Provides an opportunity for the employee to describe their accomplishments relative to performance expectations, including job objectives and associated contributing factors, organizational mission and goals, team goals, etc.
- Input will assist the rating official in evaluating more fully the employee's performance and results of that performance
- Supervisors can talk to their employees to clarify information that the employee provides
  - ✓ Not a required conversation

Writing the Self-Assessment

When writing your self-assessment:

- Address each of your job objectives specifically; remember, you will be rated on each objective individually
- Highlight your most significant achievements for the year, focusing on the results of your work
- Make the connection between what was done and why that should matter to the organization
- Show how your performance matches the Benchmark Descriptors for selected Contributing Factors
- Note challenges that were encountered and how they were handled

Supervisory Assessment

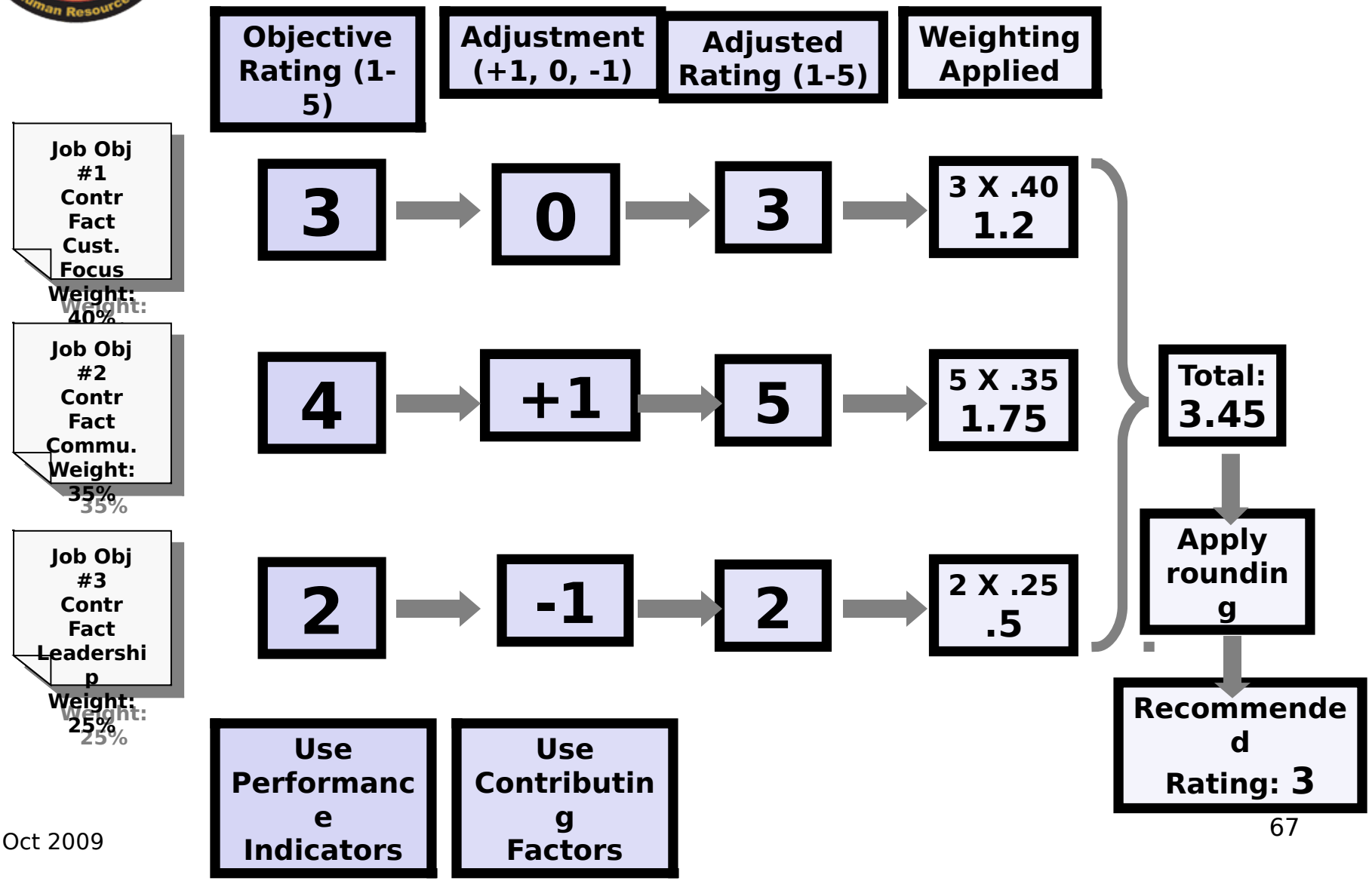
- Rating official prepares an assessment for each employee
  - ✓ Describes the employee's accomplishments and contributions to the organization relative to his or her performance expectations
  - ✓ Includes an assessment of job objectives and associated contributing factors
- Input for the supervisor assessment can come from:
  - ✓ The employee’s self-assessment
  - ✓ Closeout assessments from other supervisors
- Consider the employee-written accomplishments, but put them into perspective, considering the work of the entire organization, what the whole group did, who did what
  - ✓ Don’t copy and paste from the employee’s write-up
- Army values are listed on the performance appraisal form and rating officials need to document positive aspects of the employee’s support of these values

NSPS Rating Levels

Standard rating levels used in DoD

Rating Level	Level of Performance	Performance Description
Level 5	Role Model	Almost always meets the standards described by the Role Model benchmarks
Level 4	Exceeds Expectations	Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks
Level 3	Valued Performance	Almost always meets the standards described by the Valued Performance benchmarks
Level 2	Fair	Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level
Level 1	Unsuccessful	Performs below Level 2, or fails a Standard Performance Factor in the performance of a single assignment where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss

The NSPS Rating Process



Rounding to Determining the Recommended Rating

- Weight the adjusted ratings and total them
- Round the result as shown below:

Average Rating Range	Rating of Record	Rating of Record Descriptor
4.51 to 5.00	5	Role Model
3.51 to 4.50	4	Exceeds Expectations
2.51 to 3.50	3	Valued Performer
2.00 to 2.50	2	Fair
1 on any objective	1	Unacceptable

- Result is the recommended rating

Rewarding Employee Performance

Performance Rating	Employees are eligible to receive:
5	• Performance based pay • Rate range adjustments • Local market supplement increases
4	
3	
2	• Rate range adjustments • Local market supplement increases
1	• No increases

Share Ranges

- Shares in the pay pool are awarded as shown in the table:

Rating Level	Share Range
5	5 or 6
4	3 or 4
3	1 or 2
2	0
1	0

- Share ranges allow further distinction between levels of contribution
- The estimated value of a share reflects a percentage of salary (the actual share value will not be known until the Pay Pool Panel completes its work)

Performance Payout

- Performance payout may be paid as a:
  - ✓ Base salary increase
  - ✓ Bonus
  - ✓ Combination of the two

- Considerations in deciding the distribution:
  - ✓ Position in pay band
  - ✓ Motivational effect
  - ✓ Salary and work in comparison with colleagues
  - ✓ Competitive market comparisons

Pay Pool Basics

- What is a pay pool? Two definitions:
  1. A group of employees who share in the distribution of a common pay-for-performance fund
  2. Money that is fenced to fund performance payouts
- How are membership and boundaries of a pay pool determined?
  - By organizational structure
  - By similar lines of occupations or jobs
  - By geographical location
  - By organizational mission
  - Other considerations: pay bands, career groups, etc.
  - Army guidance: size should range from 35 to 300
- Pay pools will be structured differently in different organizations

Pay Pools: Army Guidance

- Pay pool structures may be redefined each cycle
- All pay pool officials/raters will be management officials
- Sub-pay pools may be considered when size exceeds 150
- Separate pools may be created for supervisors

Pay Pools: Communicating with Employees

- Employees will be notified during the performance year about:
  - ✓ Roles and responsibilities of employees, raters, pay pool panel members, and pay pool managers
  - ✓ Pay pool composition
  - ✓ Pay pool panel membership
  - ✓ General pay pool policies and business rules
  - ✓ The factors that may be considered in making specific share assignments
- The supervisor will communicate to the employee before the effective date of the payout the:
  - ✓ Approved rating of record
  - ✓ Share assignment
  - ✓ Payout distribution

Rating and Pay Pool Hierarchy

- Supervisor recommends:
  - ✓ Performance rating
  - ✓ Number of shares
  - ✓ Distribution between salary increase and bonus
- Higher level reviewer:
  - ✓ Reviews supervisor's recommendations, changes as appropriate
- Pay Pool Panel:
  - ✓ Reconciles ratings, shares, and distribution within the pay pool; changes as appropriate
- Pay Pool Manager:
  - ✓ Makes final decisions on rating of record, number of shares, and distribution
- Supervisor conveys final rating, shares, and distribution to employees
  - ✓ After the pay pool manager is done

How do we ensure consistency and fairness?

Higher Level Reviewer

- The higher level reviewer function is retained under NSPS
  - ✓ Called “Senior Rater” in TAPES
  - ✓ Normally the immediate supervisor of the rating official
- Provides final approval of the Performance Plan
- Role during rating:
  - ✓ Reviews rating official recommendations and changes as appropriate (rating, shares, and distribution of payout)
  - ✓ Provides bullet comments on the employee’s potential to perform different and/or higher level work (documented in Part Q – the Component Use section – of the Performance Appraisal Form)

Pay Pool Funding Elements

Element 1: WGIs, QSIs, in-band promotions

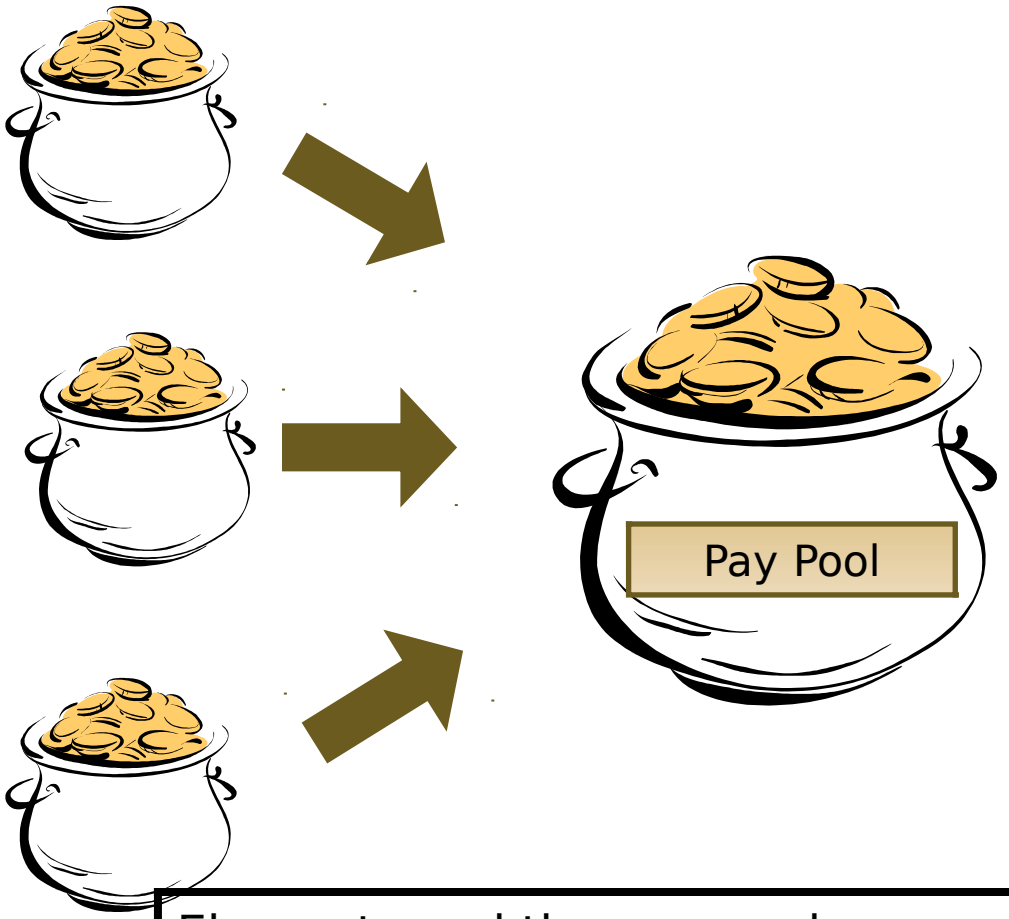
- Minimum floor set by DoD
- Less ACDP, Reassignment $
- For salary increases only

Element 2: Remainder of General Pay Increase

- Set by SecDef
- Less rate range adj, LMS
- Salary increases or bonuses

Element 3: Performance awards

- Budgeted by organization
- Less OAR, EPR, inc awds, reserve fund
- For bonuses only



Elements and the pay pool are expressed as percentages of base pay

Value of a Share

- The value of a share depends on:
  - ✓ The total amount of available pay pool funds
  - ✓ The total number of shares awarded to employees in that pay pool
  - ✓ The base salary of employees who have been awarded a payout
- The value of a share cannot be exactly determined until the pay pool panel process is complete
- The size of an employee's payout should reflect that employee's relative contribution to the organization in comparison to other employees in the organization

The more shares assigned within the pay pool, the less the value of each share

Calculating Performance Payouts

An employee's performance payout is calculated by multiplying the employee's base salary at the end of the appraisal period by the share value percentage, and then by the number of shares earned by the employee:

Employee Performance Payout =

Base Salary X Share Value per Share (%) X No. of Shares

The total performance payout is distributed between an increase in base salary or a bonus, or a combination of the two:

Employee Performance Payout =

Salary Increase + Bonus

No salary increase can cause an employee's base salary to exceed the maximum rate for the employee's pay band

- Any excess amount will be paid as a performance bonus
- For employees who receive retained rates above the applicable pay band maximum, the entire performance payout is in the form of a bonus

Pro-Rating of Payouts

- In Army, payouts will be pro-rated based on hours worked in the calendar year to reflect:
  - ✓ Leave Without Pay (LWOP)
  - ✓ Part time and intermittent employment
  - ✓ Entry into an NSPS position from a non-NSPS position

Hours Worked	Percent of Payout
1561-2087	100%
1041-1560	75%
521-1040	50%
0-520	25%

Annual Appraisal Conversation

Preparation

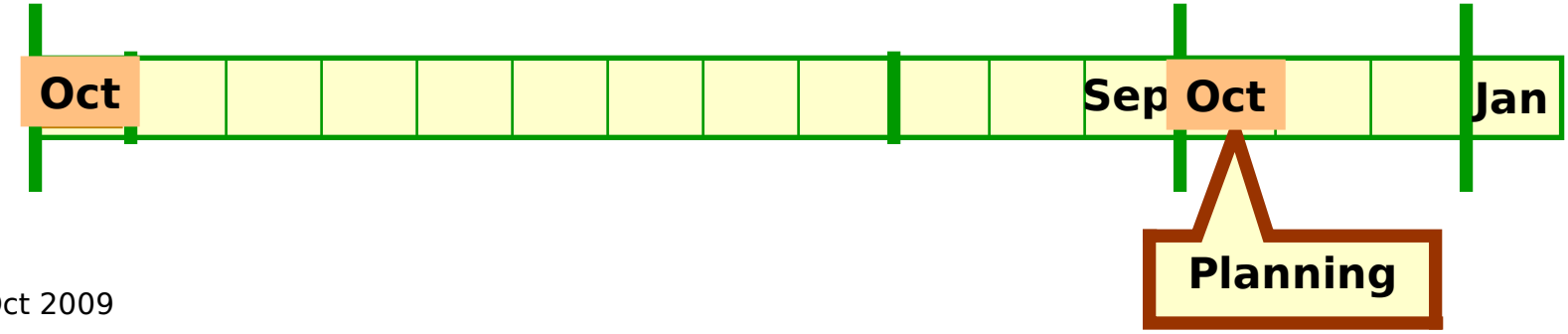
- Review comments from Pay Pool Panel (if any) and incorporate them into the final written appraisal
- Plan your feedback, particularly if the rating is below Valued Performance or otherwise not what the employee is expecting

Tips

- There should be no surprises; all concerned want the appraisal to be fair
- If the rating of record is below Valued Performance, it is important to discuss next steps immediately
- Do not criticize or blame the pay pool panel or senior rater for lowering a rating

Starting Over: Setting and Communicating Performance Expectations for Next Cycle

- Purpose: Set up and communicate performance expectations and job objectives for the coming year
- Done when the performance cycle starts over
  - ✓ Note that the new cycle begins before the former cycle completes
- Coverage:
  - ✓ Discuss goals and expectations for the next period
  - ✓ Help your employee improve his or her performance
  - ✓ Summarize the discussion and sign documentation



Reconsiderations

Employees can challenge:

Their individual job objective ratings as well as their overall final rating of record

Employees cannot challenge:

Performance payout

Number of shares

Value of shares

Distribution of payout

Recommended Rating of Record

Interim Reviews

Closeout Assessments

Recent Changes Under NDAA 2008 Impacting Performance Management

- Mandates employees with a performance rating above ‘‘unacceptable”, or who do not have current performance ratings, receive no less than 60% of the annual GS pay increase and locality pay in the same manner as other GS employees
- Reconsideration opportunities have been expanded to permit reconsideration of individual performance objective ratings in addition to the overall rating of record.
- Requires organizations to share aggregate pay pool results with NSPS employees.

Performance Management: TAPES vs. NSPS

TAPES

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- 120 day minimum rating period
- Senior rater approves ratings

NSPS

- Ratings based on job objectives
- One cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- 90 day minimum rating period
- Pay Pool Manager approves ratings

Lesson 5-1 Objectives Performance Management: Review

Summary:

- Identify the steps required when rating an employee under NSPS
- Identify the key players and define their roles and responsibilities in the rating process
- Describe what to include in an employee's self-assessment and a supervisory assessment
- Understand the basics of the pay pool
- Understand how to calculate the value of a share and performance payout options.
- Questions?

EXERCISE TIME!!

Case Studies: NSPS vs. TAPES

Question

1. Rick Astilbe, a supervisor of 18 employees, comes to you and complains about all the paperwork and counseling he's supposed to do. He can't see any value in it at all. Also, he wants you to give him an extra 60 days to complete his appraisals on 5 of his employees who are TDY. After all, he can't counsel them while they are gone. How would you handle this under TAPES? NSPS?

Question

2. Marcia King was temporarily detailed to another job for the last 9 months. Her rating cycle is now coming to a close. How would you handle this situation under TAPES? NSPS?

Question

3. Karen Schmidt is the supervisor of 3 employees who are due their annual appraisals within the next 90 days. Ms. Schmidt receives a promotion to another organization and is leaving. Describe what kind of appraisal she should give to the 3 employees prior to her departure under TAPES and NSPS.

Question

4. Michael Donahue is very dissatisfied with the rating he received. He wants to challenge it because he claims that he should have received a higher level rating. What information should you provide him under TAPES? NSPS?

Question

5. Kathleen Brady has made some significant revisions to the performance plan of Doug Kinney, one of her “problem employees.” Kinney’s annual rating period comes to a close in 90 days. Ms. Brady wants to know whether she can rate Kinney against the revised expectations in completing her annual evaluation under TAPES? NSPS?

Can she get an extension of the rating period with either system?

Performance Management: Rewarding

Lesson 5-1 Objectives Performance Management: Rewarding

After completion of this lesson, you will be able to:

- Identify the various tools available to supervisors to recognize, reward and motivate employees.
- Identify the three categories of awards and their appropriate usage.
- Identify the different situation de an employee from receiving ar

Regulatory /Legal Basis

- 5 USC, CHAPTERS 45, 53, AND 54
- 5 CFR, PARTS 430, 451, AND 531
- DoD 1400.25-M Subchapter 451
- AR 672-20 (Incentive Awards)
- DA PAM 672-20 (Incentive Awards Handbook)

Awards

- Special Act and Special Service Awards
- Rating-Based Awards
- Quality Step Increases
- On-The-Spot Awards
- Time-Off Awards
- Career Service Recognition
- Informal Recognition
- Honorary Awards
- Public Service Awards

The Award Spectrum

Three Categories

- Non-monetary (Honorary)
- Monetary
- Time-Off

Honorary Awards

7 Awards for DA Civilians

- Essentially equivalent to DA Honorary Awards for Military
  - ✓ Equivalent nature of recognition
  - ✓ Equivalent approval level

Public Service Awards

- Army employees and contractor employees <u>not</u> eligible
- Noncareer Government officials and non-Government personnel are eligible

Honorary Awards

Honorary awards may be given to separating employees provided accomplishments fully meet criteria

Manager outside employee's chain of command may nominate employee for an award

NOTE: Nomination must be coordinated with employee's supervisor

New Awards

Secretary of Defense Medal for the Defense of Freedom

- Eligible if a DoD civilian employee is killed or wounded by hostile action while serving or while rescuing or attempting rescue of another employee
- Aligned very closely to the Military Purple Heart
- Approved by the Secretary of the Army

- Secretary of the Army Award for Valor
- For civilian employees and private citizens
- Acts of heroism, courage or sacrifice, with voluntary risk of personal safety in the face of danger either on of off the job
- Approved by the Secretary of the Army

DA Awards Hierarchy

Civilian Award	Authority	Military Award	Authority
Decoration for Exceptional Civilian Service	**Sec of Army**	Distinguished Service Medal	Chief of SA
Meritorious Civilian Service Award	**ACOM Commander**	Legion of Merit	ACOM Commander LTG+
Superior Civilian Service Award	**Commanders MG + and Civ Equiv.**	Meritorious Service Medal	Commanders MG+
Commanders Award for Civilian Service	**Commanders COL+ and Civ Equiv.**	Army Commendation Medal	Commanders COL+
Achievement Medal for Civilian Service	**Commanders LTC+ and Civ Equiv.**	Army Achievement Medal	Commanders LTC+

Monetary Awards

- On-the-Spot (OTS)
  - ✓Currently $50-$500
- Special Act/Service Award
  - ✓Use Table of Tangible Benefits and Table of Intangible Benefits to determine amount
  - ✓Up to $10,000, or $25000 with AIAB review
- Rating-Based Awards (Performance)
  - ✓Up to 10% of Base Salary
  - ✓Up to 20% with Major Commander approval
- Quality Step Increase
  - ✓Not more than 1 per 52-week period
  - ✓Must be rated Success Level 1

No Performance or Achievement Awards for Employees:

- Under investigation or with disciplinary / performance-based action pending
- Having had disciplinary action in last 120 days
- Involved in "unlawful discrimination"

Time-Off Awards

- Supervisor can approve awards up to one day or less
- Benefits to Government similar to S
OTS
- Maximum Award Amounts
  --40 Hours for any single award
  --80 Hours for any 1-year period
- Limitation
  --Must be used within 1 year of the approval date
  --Cannot be transferred outside of Army
  --Cannot be restored or paid in lump sum

Rewarding Employees: What do they really want ?

- Managers have fewer ways to influence employees
  - ✓ Coercion no longer works: managers must be coaches rather than demanding
- Employees are being asked to do more with less oversight
  - ✓ Managers need to create a workplace that is positive and reinforcing
- Soon there will be fewer workers with fewer skills
  - ✓ New pool of employees has different values
  - ✓ Work needs to have purpose
- Rewards and recognition = Effective and low cost encouragement and motivation!

Lesson 5-1 Performance Management- Rewarding Review

Summary

- Identify the various tools available to supervisors to recognize, reward and motivate employees.
- Identify the three categories of awards and their appropriate usage.
- Identify the different situations that preclude an employee from receiving an award.
- Questions?